

Counterparts - Korman

RECORDATION NO. 21306 FILED

APR 1 '98 4:30PM

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OF COUNSEL
URBAN A. LESTER

April 1, 1998

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Memorandum of Lease Agreement, dated as of April 1, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: The CIT Group/Equipment Leasing Financing, Inc.
1211 Avenue of the Americas
New York, New York 10036

Lessee: Wheeling & Lake Erie Railway Company
100 East First Street
Brewster, Ohio 44613

A description of the railroad equipment covered by the enclosed document is:

fourteen (14) locomotives bearing ^{WE} reporting marks and road numbers set forth in the Memorandum

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SURFACE TRANSPORTATION
BOARD
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Vernon A. Williams
April 1, 1998
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Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/bg
Enclosures

APR 1 '98

4-30PM

MEMORANDUM OF LEASE AGREEMENT


This Memorandum of Lease Agreement is made and entered into as of April 1, 1998, by and between The CIT Group/Equipment Financing, Inc. ("Lessor") and Wheeling & Lake Erie Railway Company ("Lessee"), respecting that certain Locomotive Lease Agreement dated as of April 1, 1998 (the "Lease").

Pursuant to the provisions of the Lease, Lessor and Lessee hereby acknowledge and affirm that:

1. For good and valuable consideration, Lessor is leasing to Lessee and Lessee is leasing from Lessor fourteen (14) EMD SD-40 6 Axle, 3,000 H.P. locomotives marked **WE** 3016, 3034, 3046, 3048, 3049, 3067, 3068, 3073, 3102, 4001, 4003, 4016, 4018 and 4025 (together, the "Locomotives", singly, the "Locomotive").
2. The term of the Lease for any Locomotive shall commence on the date on which the Lessor purchases all of the Locomotives from the Lessee as such date is conclusively evidenced by the date of the execution and delivery of a bill of sale and shall terminate on the tenth anniversary of the date upon which the last Locomotive to be overhauled and upgraded and placed in service as contemplated in Section 12 of the Lease is delivered from Lessee's overhaul and repair facility at Brewster, Ohio and placed in service as evidenced by the date set forth in the acceptance certificate therefor.
3. Lessor and Lessee further acknowledge and affirm that this Memorandum of Lease Agreement is not a summary of either the provisions thereof. Accordingly, Lessor and Lessee hereby agree that in the event of a conflict between this Memorandum of Lease Agreement and the provisions of the Lease, the provisions of the Lease shall control.
4. This Memorandum of Lease Agreement may be executed by the parties hereto in any number of counterparts, and all counterparts taken together shall be deemed to constitute one instrument.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Memorandum of Lease Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first written.

THE CIT GROUP/EQUIPMENT
FINANCING, INC.

By: 
Name: VICTORIA McMANUS
Title: SENIOR V.P.

WHEELING & LAKE ERIE
RAILWAY COMPANY

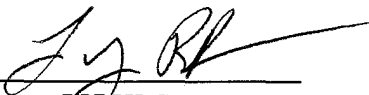
By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Memorandum of Lease Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first written.

THE CIT GROUP/EQUIPMENT
FINANCING, INC.

By: _____
Name:
Title:

WHEELING & LAKE ERIE
RAILWAY COMPANY

By: 
Name: LARRY R PARSONS
Title: CHAIRMAN & CEO

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

SS:

On this 30th day of MARCH, 1998, before me personally appeared VICTORIA McMANUS, to me personally known, who being by me duly sworn, says that s/he is a SR Vice Pres of THE CIT GROUP/EQUIPMENT FINANCING, INC., that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and s/he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]

BARBARA GARNER
Notary Public, State of New York
No. 01GA5065133
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires Sept. 3, 1998

Barbara Garner
Notary Public

My Commission Expires: _____

STATE OF OHIO)
)
COUNTY OF _____)

SS:

On this ____ day of _____, 1998 before me personally appeared _____, to me personally known, who being duly sworn, says that s/he is a _____ of WHEELING & LAKE ERIE RAILWAY COMPANY, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and s/he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]

Notary Public

My Commission Expires: _____

STATE OF NEW YORK)
)
COUNTY OF NEW YORK) SS:

On this ____ day of _____, 1998, before me personally appeared _____, to me personally known, who being by me duly sworn, says that s/he is a _____ of THE CIT GROUP/EQUIPMENT FINANCING, INC., that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and s/he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

My Commission Expires: _____

STATE OF OHIO)
)
COUNTY OF STARK) SS:

On this 1st day of April, 1998 before me personally appeared LARRY R PARSONS, to me personally known, who being duly sworn, says that ~~s/he~~ he is a Chairman & CEO of WHEELING & LAKE ERIE RAILWAY COMPANY, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and ~~s/he~~ he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sheryl L. Durant
Notary Public

[NOTARIAL SEAL]

My Commission Expires: Aug 29, 1999